

## Message Text

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44

ACTION L-03

INFO OCT-01 ARA-06 ISO-00 OPIC-03 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01

SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 XMB-02 IGA-02 /094 W  
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R 122129Z MAR 76

FM AMEMBASSY PORT OF SPAIN  
TO SECSTATE WASHDC 8923

C O N F I D E N T I A L PORT OF SPAIN 0641

E.O. 11652: GDS

TAGS: EINV, ENRG, TD

SUBJECT: GOTT-TEXACO NEGOTIATIONS CONTINUE

REF: A) STATE 37477, B) PORT OF SPAIN 261,

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1. EMBASSY APPRECIATES DEPARTMENT'S PROMPT AND THOROUGH EXPLANATION AS TO WHY TRINIDAD HAS BEEN LISTED AS A COUNTRY WHICH MAY HAVE TAKEN EXPROPRIATORY ACTION IN TERMS OF TRADE ACT OF 1974. WE WILL CONTINUE TO REPORT ALL INFORMATION THAT COMES TO OUR ATTENTION ABOUT STATUS OF GOTT NEGOTIATIONS WITH TEXACO. INTERPRETATION APPLIED BY DEPARTMENT TO GOTT'S ANNOUNCEMENT OF TAKEOVER OF TEXACO'S DOMESTIC MARKETING NETWORK WAS OF COURSE PRECISELY THE PUBLIC IMPRESSION OF ACTION FIRMLY AND COMPLETELY TAKEN WHICH GOTT DESIRED TO ACHIEVE (ALTHOUGH FOR A DOMESTIC TRINIDADIAN AUDIENCE AND NOT WITH INTERNATIONAL COMMUNITY).

2. NEGOTIATIONS BETWEEN GOTT AND TEXACO ON LARGER ISSUE OF GOTT PARTICIPATION IN ALL TEXACO TRINIDAD  
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OPERATIONS (REF B) CONTINUED WITH A SECOND MEETING

FEBRUARY 11. IN THE MEANTIME, PRESS STORIES APPEARED STATING THAT THE GOTT HAS ASKED FOR 61 PERCENT OWNER-SHIP, INSTEAD OF 51 PERCENT REPORTED EARLIER (AND IN REF B). PRESS STORIES ALSO REPORTED THAT SEPARATE MEETINGS CONTINUE TO BE HELD WITH REGARD TO TAKEOVER OF TEXACO'S MARKETING OPERATIONS BY THE GOVERNMENT-OWNED NATIONAL PETROLEUM MARKETING COMPANY LTD. BOTH PARTIES INVOLVED IN THESE MEETINGS HAVE REFUSED TO MAKE ANY PUBLIC COMMENTS WHATSOEVER.

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3. THE EMBASSY WAS ASSURED ON FEBRUARY 13 BY ONE GOVERNMENT SOURCE (OF UNEVALUATED RELIABILITY) THAT THE NEGOTIATIONS WITH TECACO ARE BEING UNDERTAKEN AT THIS TIME SOLEY FOR DOMESTIC POLITICAL REASONS, AND THAT THE GOTT DOES NOT TRULY WANT MAJORITY CONTROL. THIS SOURCE ALSO SAID THAT EXACO'S CHAIRMAN EMERITUS AUGUSTUSLONG HAD ASKED TO CALL ON THE PRIME MINISTER WHEN HE RECENTLY VISITED TRINIDAD, BUT THE PM WOULD NOT SEE HIM. OUR VISITED TRINIDAD, BUT THE PM WOULD NOT SEE HIM. OUR SOURCE SAID THAT THE PRIME MINISTER WANTED LONG TO KNOW, HOWEVER, THAT IT WAS ONLY "DOMESTIC POLITICS" WHICH MADE THEIR MEETING INADVISABLE AT THIS TIME, AND THAT DR. WILLIAMS WAS IN NO WAY TRULY UPSET WITH TEXACO. SINCE THAT TIME, SEVERAL FIGURES IN THE PRIVATE SECTOR HAVE COMMENTED TO THE AMBASSADOR THAT THEY TOO BELIEVE THAT DOMESTIC POLITICAL CONSIDERATIONS ARE THE PRIME REASON BEHIND THE GOTT'S WELL-PUBLICIZED INITIATION OF TALKS WITH TEXACO.

4. COMMENT: AUGUSTUS LONG WAS CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF TEXACO INC. UNTIL JANUARY 1965. HE IS CREDITED WITH THE ACQUISITION OF THE TEXACO PROPERTIES IN TRINIDAD IN 1956, AND THEIR SUBSEQUENT AGGRESSIVE EXPANSION TO BECOME ONE OF THE KEY ASSETS OF TEXACO INC. LONG IS BELIEVED TO HAVE DEVELOPED A FRUITFUL WORKING RELATIONSHIP WITH PRIME MINISTER WILLIAMS, AND HAS

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MET WITH HIM ON SEVERAL OCCASIONS SINCE RELINQUISHING THE CHAIRMAN-CEO POSITION AT TEXACO. LOCAL TEXACO OFFICIALS OFTEN IMPLY THAT LONG'S RELATIONSHIP WITH WILPIAMS IS CRUCIAL TO THE COMPANY'S CONTINUED SUCCESSFUL OPERATIONS IN TRINIDAD, AND WE TEND TO BELIEVE THAT THE STORY RECOUNTED IN PARA 3 ABOVE IS ACCURATE. SINCE THE FEBRUARY 11 MEETING BETWEEN THE GOTT AND TEXACO, THERE HAS BEEN NO INDICATION THAT FURTHER MEETINGS HAVE BEEN

HELD.

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## Message Attributes

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